

## ROANOKE ISLAND COMMISSION MEETING

### Call to Order

The **Roanoke Island Commission** met in the Art Gallery on Friday, **October 28, 2011** at 9:04 AM. Officers present: Sterling Webster, Chair and Treasurer; and Angel Khoury, Secretary. Members present: Saint Basnight; Betsy Brown; Eddy Browning (late arrival); Joe Bryan; Jeff Crow, NCDCCR Deputy Secretary (on behalf of Linda Carlisle, NCDCCR Secretary); Libba Evans; Malcolm Fearing; Jerry Jennings, DOT designee; Grayson Kelley, Attorney General designee; Robert Long; Elmer Midgett; Ellen Newbold; Dale Petty; Bob Quinn; John Robbins; Perry White; Joanne Williams; and Earl Willis. Also present: Becky Breiholz, Town Clerk, Town of Manteo (early departure); Glenna Shelton Browning, Plymouth, NC resident (late arrival); Tod Clissold, Friends of *Elizabeth II*, Inc. Board Chair (early departure); Debbie Gibbs, Friends of *Elizabeth II*, Inc. Operations Director; Susannah Holloway, NCDOJ; and John Wilson, RIC Historian. Staff present: Kim Sawyer, Executive Director; Andrea Hanganu, Administrative Assistant; Amy Hinnant, Operations Manager; David Miller, Museum Technician (early departure); Johnny Walker, Program Manager (early departure); and Tanya Young, Communications Manager (early departure). Absent: Warren Judge, Dare County representative; and Fountain Odom, Vice-Chair.

### Introductions

#### Welcome

Chairman Sterling Webster welcomed all in attendance.

#### Oath of Office of Commissioners

*Susannah Holloway*

Susannah (Susie) Holloway from the North Carolina Attorney General's Office introduced herself. Ms. Holloway explained the purpose and process of the oath of office, noting the following:

- Formal tradition in the State of NC; prior actions before the oath are not invalid.
- Town Clerk for the Town of Manteo Becky Breiholz will read through the oath to swear members in.
- Difference between oath and affirmation.

Members stood and took the oath/affirmation of office. Ms. Breiholz notarized signatures afterward on members' written documents (oaths/affirmations filed as an attachment in the official Report Book).

#### Ethics Statement Conflict of Interest

Ethics Liaison Ellen Newbold read the ethics statement and inquired of Commission members as to whether they had any known conflict of interest or appearance of conflict with respect to any matters coming before the Commission today. Angel Khoury noted that she serves on the board of the Friends of *Elizabeth II* and the board of the Outer Banks Conservationists. Libba Evans noted that she owns property in Dare County close to the Corridor, and therefore has a conflict on Corridor matters. Ellen Newbold noted that she is a board member of the Friends of *Elizabeth II* and has a potential conflict. Joanne Williams noted that she owns a business on the Corridor. Malcolm Fearing noted that he owns property on the Corridor and is Chairman of the Community Center, which is located on the Corridor.

#### Adoption of Agenda

The agenda was adopted by consensus, with the addition requested by Chairman Webster of the October 13, 2011 RIC minutes under *Approval of Minutes*.

#### Approval of Minutes

On motion by Malcolm Fearing and second by Jerry Jennings, the minutes of April 29, 2011 were approved by unanimous vote.

Malcolm Fearing requested the minutes of October 13, 2011 reflect that after leaving the meeting he had later unsuccessfully attempted to call in two times in order to vote *nay* on the actions of the Finance Committee. Chairman Webster noted phone difficulties during the meeting, and legal advice obtained afterward verified that the vote at the meeting was legal and valid. On motion by Earl Willis and second by Bob Quinn, the minutes of October 13, 2011 were approved as amended by unanimous vote.

#### Committee/Staff Reports

Executive Director

RIC Executive Director Kim Sawyer provided the Executive Director's Report as follows:

- PowerPoint (PPT) presentation with photos regarding impact of Hurricane Irene on RIFP and Manteo.
- RIFP Program Manager Johnny Walker is retiring in two days; worked almost six years at RIFP.

Johnny Walker provided the following update regarding the Performance Series:

- History and benefits of the appropriation.

\* Eddy Browning joined the meeting at 9:26 AM. \*

- PPT photos of the Film Theatre transition, university performances, and Pavilion.
- Review of rental spaces.

\* Glenna Shelton Browning joined the meeting at 9:30 AM. \*

RIFP Communications Manager Tanya Young provided a marketing report, outlined as follows:

- PPT presentation of samples: ad; rack card; e-Blast; Facebook page; banner ad; poster; and QR code.
- Marketing: press releases; e-Blasts; radio interviews and PSAs; WUNC Radio partnership; website; Facebook; tourism market ads; \$1.00-off coupons; online banner ads; digital newspapers; Charter TV ads.
- Printing: rack cards; other \$1.00-off coupons.
- Distribution: by Dare Brochures at 78 locations from Hatteras to Corolla.
- PPT of website stats: Google Analytics (July 31, 2011-October 16, 2011).

Kim Sawyer concluded the Executive Director's Report with the following:

- Prior email about documentary DCR sponsored along with Horizon Productions called *Birth of a Colony*.
- PPT photos: first RIFP Girl Scout patch; school groups; first scout overnight; activities; visitors in venues.
- Other updates:
  - NC General Assembly Program Evaluation Division is doing a state attractions report.
  - Program Manager position posted; closes November 7, 2011; tweaked to focus more on facility rentals.
  - *Elizabeth II* training sail held October 22-24, 2011; sponsored by the Friends.
  - Blue-colored RIC Member Books provided: RIC member contact information, terms, Friends Board, etc.
  - Legislation passed last session: must work through APT (state agency) for marketing and advertising.
  - RIFP Office Assistant Tina Beacham resigned about two weeks ago after nine years; position not being refilled.

\* David Miller, Johnny Walker, and Tanya Young left the meeting at 9:57 AM. \*

Friends of  
*Elizabeth II*, Inc.

Friends of *Elizabeth II*, Inc. Board Chair Tod Clissold provided the Friends Report, outlined as follows:

- Brief history of Friends organization and purpose.
- Friends are under a guideline on giving; never denied RIFP any requests.
- Request that financial questions be given to the RIC Chairman.
- Endowment is approximately \$7M; policy is to give 80% of that return to RIFP each year.
- Request that RIC members become Friends members (applications distributed and filed as an attachment in the official Report Book).

Chairman Webster requested that he be informed if members hear discussion that makes them question the relationship between the RIC and Friends, so he can get to the bottom of any issue.

Friends of *Elizabeth II*, Inc. Operations Director Debbie Gibbs provided the Friends Report regarding the Guest House and Museum Store for the year, outlined as follows:

- Guest House.
  - \$60K gross revenue; \$21K from the Performance Series; remainder from outside groups.
  - Upgraded sprinkler system; fully monitored fire system in place; maintenance items addressed.
  - Working with Kim Sawyer to tie housing into RIFP facility rentals.
- Museum Store.
  - Store Manager Mary Mason completed first year; goal: increase Park logo on themed items; new items shown.
  - Focus: local/regional crafts, *Made in U.S.* products; Civil War memorabilia (150<sup>th</sup>); Cherokee crafted collectibles.
  - Goal: every Park visitor comes through the Store.

Discussion was held regarding the Friends Report, with the following being noted:

- Verification that Friends members get a 15% discount in the Museum Store (Gibbs).
- Verification of profit for the year; \$14.80 average transaction last year increased to \$20.83 (Gibbs).
- Question of any connection with College of the Albemarle for jewelry and crafts (White).
- Mary Mason is in discussion with several contacts about doing an *Elizabeth II* jewelry piece (Gibbs).
- Request that Malcolm Fearing come through the RIC Chairman with the request for a monthly, quarterly P&L on Friends housing and the Gift Shop (Webster); agreement (Fearing).

Education

Joanne Williams reported that during the October 27, 2011 meeting the Education Committee voted

Committee <i>Motion</i>	<p>upon motion to recommend that the Commission rescind the Memorandum of Agreement between the Town of Manteo and the Roanoke Island Commission pertaining to the operation of the Roanoke Island Maritime Museum (RIMM); and that the disposition of the Roanoke Island Commission assets involved be jointly agreed to by a committee consisting of the Roanoke Island Executive Director and the Town Manager of Manteo. Ms. Williams provided further details of the agreement.</p> <p>Detailed discussion followed regarding the motion, with the following being noted:</p> <ul style="list-style-type: none"> <li>• Mutual agreement with the Town of Manteo prior to the committee meeting (Midgett).</li> <li>• Copies of agreements provided (filed as an attachment in the official Report Book) (Sawyer).</li> <li>• Verification that all cultural assets would stay in the RIMM; RIC Executive Director could lease them to the Town for \$1.00 a year; RIMM could stay open and the Town could run the Museum (Williams).</li> <li>• Assets could revert back to the RIC if Town ceases to run it; anticipates it growing (Webster).</li> <li>• Question whether Town will assume all liability and maintenance if boats are leased (Robbins).</li> <li>• Question of the daily functions of the RIMM (Robbins).</li> <li>• Qualified people are interested in working with the Town to continue the Sailing Program (Sawyer).</li> </ul> <p><i>Vote</i> With no further discussion, the motion carried by unanimous vote.</p>
(Break)	Chairman Webster called for a break at 10:25 AM, and the meeting resumed at 10:39 AM.
Roanoke Voyages Corridor Committee <i>Motion</i>	Elmer Midgett reported that the Roanoke Voyages Corridor Committee has two action items regarding wayfinding signs. Mr. Midgett stated that earlier in the year the committee had voted upon motion to recommend to the Commission that Island Farm on the north end of Roanoke Island have a wayfinding sign according to the regulation. Discussion followed, with Angel Khoury explaining the wayfinding signage system. With no further discussion, the motion carried with one abstention by Angel Khoury (a board member of that non-profit).
<i>Vote</i>	
<i>Motion</i>	Elmer Midgett reported that on October 27, 2011 the Roanoke Voyages Corridor Committee voted upon motion to recommend to the Commission that U.S. Fish and Wildlife Visitor Center on the north end of Roanoke Island have a wayfinding sign according to the regulation. Discussion followed, with Mr. Midgett and Angel Khoury noting that the new Visitor Center location is south of The Lost Colony entrance on the west side. With no further discussion, the motion carried by unanimous vote.
<i>Vote</i>	
	<p>Elmer Midgett provided a brief report of Corridor activity, noting the following:</p> <ul style="list-style-type: none"> <li>• Update on County water line installation; minimal impact to Corridor trees; to re-plant in cooler weather.</li> <li>• North Carolina Power will install a 3-phase line to U.S. Fish and Wildlife on that side of the road.</li> <li>• Corridor has many unused utility lines; anticipated future sewer line installation will require examination.</li> </ul> <p>Upon request by Perry White, Elmer Midgett reported on Corridor enforcement under the new legislation. The former Corridor Administrator handled all Certificates of Appropriateness (COAs) and related matters. With the July 2011 legislation, the responsibility of Corridor Regulation enforcement was transferred to the Town and to the County in their respective locations. The Town and County both gave that responsibility to the Planners, who now receive all COA requests.</p>
Visual, Performing Arts & Film Committee	<p>Ellen Newbold reported from the Visual, Performing Arts and Film Committee, noting the following:</p> <ul style="list-style-type: none"> <li>• Yesterday (10/27/11) approved the Performance Series schedule (previously distributed and filed as an attachment in the official Report Book) for the rest of this year through July 2012; 49 performances; \$260K total cost; performances are final except East Carolina University, which the RIFP Program Manager was asked to re-negotiate the price to be more in line with the other universities.</li> <li>• \$398,241.00 appropriation this year; \$28K+ beginning balance left over from the prior year; paying from this fund 80% of salaries and benefits of two staff working in this area; \$260K allocated for performances; \$75K for the marketing budget; anticipate \$3K remaining.</li> <li>• Will charge for evening performances: \$10.00 adults, \$5.00 children over 3; 3 and under free; children's performances: \$5.00 for adults who bring a child.</li> </ul>
Facilities and Land Committee	<p>Saint Basnight reported from the Facilities and Land Committee, noting the following:</p> <ul style="list-style-type: none"> <li>• Thanks to RIC staff as well as RIC member Jerry Jennings and DOT for their work after Hurricane Irene.</li> </ul>

- Committee discussion yesterday included Buzzy Lane: a motion was made and passed to ask the Attorney General's Office to explain RIC responsibilities regarding that property.
- Explanation and location of Buzzy Lane property.

Discussion followed regarding the Facilities and Land Committee Report, with the following noted:

- RIC Executive Director was asked to follow up to clarify the RIC's role with Island Farm (Sawyer); Island Farm *Account* (Fearing).
- Question whether this also includes RIC oversight of any other historic sites on Roanoke Island (White).
- Under the new legislation RIC has authority over the bank balance; property remains under the state (Evans).
- RIC enabling legislation 143B addresses issue; RIC has special legislation, unique from other DCR sites (section read out loud); property was purchased saying it had *historical significance* in the application (Fearing).
- Legislation states that it is what the RIC *chooses* (Evans).
- Six lots could generate \$250.00 a month in rent; question of liability if someone was hurt on that property; emails from State Property include determinations that need to be addressed (Fearing).
- Valid request made by committee; clarity will be sought then presented to the RIC as necessary (Webster).

Finance  
Committee/  
Treasurer

Chairman Webster reported his objective to combine the Finance Committee Report and the Treasurer's Report. In the absence of the RIC Vice-Chair, RIC Treasurer Webster requested RIC Secretary Angel Khoury to preside over this section. Acting Chair Khoury then called on the Treasurer and Finance Chair to make a report. Treasurer Webster provided a Finance Committee Report as follows:

- Finance Committee under Malcolm Fearing's prior leadership did much work to balance the 2011/12 budget.
- Review of July 22, 2011 committee meeting.
  - Reduced the budget to within the range of the state allocation, utilizing ticket sales and other revenues.
  - \$211K resulting shortfall was filled with the \$106K carryover from previous years and \$105K by the Friends; committee agreed to not use those funds.
- Budget was presented and approved October 13, 2011 that was within funds from RIC's generation of income or from the state allocation; challenge was to realistically determine ways to bring in revenues.

Treasurer Webster provided a Treasurer's Report and reviewed the *State of North Carolina General Ledger System, Agency Management Budget Report for the Period Ending September 30, 2011* and the *Authorized Monthly Budget Report for the Period Ending September 30, 2011* (previously distributed and filed as an attachment in the official Report Book), noting the following:

- *Cash Analysis*: \$3,244,915.67 beginning balance of total funds; \$676,975.42 Fund 2584 Operating Account; \$2,466,111.17 Fund 2585 RIC Endowment; \$101,829.08 Fund 2586 Performing Arts; Fund 2587 Buzzy Lane (new) shows \$0.00 but was about \$81K when taken over—restricted use; clarity TBD.
- Agreement that he and RIFP Operations Manager Amy Hinnant will develop more of a management report to show members on a regular basis.

Discussion was held regarding the Finance Committee/Treasurer's Report, with the following noted:

- Kim Sawyer and Amy Hinnant commended for their work getting complete information for members (Fearing).
- Verification that this budget has been sent to DCR Secretary Linda Carlisle and copied to DCR Deputy Secretary Jeff Crow; Secretary Carlisle has not responded to date regarding approval (Sawyer).
- Reason for taking over chairmanship of RIC Finance Committee (Webster).
- Question whether any numbers presented here were not received in the past (Brown).
- Other numbers shown: \$16,405.12 Corridor Account; \$810,517.79 Enhancement Project balance (Webster).
- Always said the RIC Endowment managed by the State Treasurer is 25% of *ticket revenue*; need to review that because legislation that set up the Endowment says 25% of *all revenue the Park produces* (Newbold).
  - Verification that is the way the budget was done in order to conform (Webster); includes rentals (Newbold).
  - Changes July 1, 2012 by legislation: all ticket sales then go to RIC with no Endowment contribution (Webster).
- Next step: examine potential revenues for 2012/13, parameters, current expenses, and how to go forward (Webster).

Malcolm Fearing reviewed and requested the following documents be entered into the record (received and filed as attachments in the official Report Book):

- Email from Grayson Kelley dated July 20, 2011, 5:50 PM.
- Fax from Outer Banks Insurance dated October 27, 2011, pp. 1-20: Friends of *Elizabeth II*, Inc. Form 990 (2010).
- Roanoke Island Commission Transfers History.
- Cultural Secretary 7.5.11 Summary of Expenditures & Revenue Projections.

## Motion

Malcolm Fearing made a motion *to request the State Auditor to thoroughly audit the following: all funds transferred from account 2584, 2585, or any other state funds transferred to our Friends group to insure compliance with G.S. 143B, which is our enabling legislation, and the newly enacted Special Provision 2011-CULRES-H1C; and the only purpose of this is to seek full disclosure and compliance with state law which is new now* (hand written motion submitted and filed as an attachment in the official Report Book). Earl Willis seconded the motion. Detailed discussion was held, with the following noted:

- Details of Friends' annual audit (Gibbs).
- Matter of semantics in calling the Friends fund an *Endowment*.
- History of the formation of the two Endowments (Evans).
- Two early-2000s transactions that should not have gone to the Friends currently being addressed (Webster).
- Potential request of State Auditor to come to RIFP may cost the RIC approximately \$30K (Crow).
- Whether an audit is required to answer the question about the legislation or if it is a legal question (Khoury).
- Upon request by Dale Petty, the RIC Chairman agreed to provide: detailed information of how various accounts worked together in the past; list of annual funds transferred to Friends; list of annual funds spent by Friends on behalf of RIC; exact number of years the Friends have not been given any appropriation (Webster).

Upon request by Treasurer Webster, Malcolm Fearing re-read his motion as follows: *to request the State Auditor thoroughly audit the following: all funds transferred from account 2584, 2585, or any other state funds transferred to our Friends group to insure compliance with G.S. 143B-131.2(b), which is our enabling legislation; and the Special Provision 2011-CULRES-H1C, which was the legislation that took effect July 1<sup>st</sup>; this is to insure the \$7M will be spent in compliance with the law.* Discussion continued, with the following being noted:

- Conflicting questions being asked (Webster).
- Details of account transfers and transfers being audited by DCR Director of Internal Audit Joshua Davis (Webster).
- Assurance of audit completion by the January 2012 meetings (Crow).
- Request to change the word *audit* to *resolve* in the motion (Webster); denied (Fearing).
- Reasons for past transfers (Khoury).
- Reasons why two Endowments were set up, where the money is, purpose of the non-profit, and history of the two transfers in question (Wilson).

## Call the Question Vote

Joe Bryan called the question. Perry White seconded. Acting Chairman Angel Khoury called for a vote. The motion to call the question carried with sixteen (16) ayes (Basnight, Brown, Browning, Bryan, Fearing, Jennings, Kelley, Long, Midgett, Newbold, Petty, Quinn, Robbins, White, Williams, and Willis); zero (0) nays; three (3) abstentions (Evans, Khoury, and Webster).

## Vote on Malcolm Fearing's Motion

In a requested show of hands following a verbal vote, Malcolm Fearing's motion failed by the following vote: four (4) ayes (Browning, Fearing, Midgett, and Willis); ten (10) nays (Basnight, Brown, Bryan, Jennings, Kelley, Long, Quinn, Robbins, White, and Williams); five (5) abstentions (Evans, Khoury, Newbold, Petty, and Webster). Ellen Newbold noted that she did not participate in the discussion for the vote.

## Request for Unanimous Consent/ Failed

Perry White asked for unanimous consent that the motion to reconsider be laid on the table indefinitely. John Robbins seconded. Mr. White explained his request in detail. Mr. Robbins removed his second. Dale Petty noted his lack of consent, and the request failed.

Treasurer Webster verified that existing issues will be properly explained and clearly presented; the two transfer entries will be addressed with the Friends and the state. Upon questioning by Dale Petty, Treasurer Webster verified that all Friends financial numbers will be provided to the full RIC, assuming Friends have no objections. He agreed to address the issue with information forthcoming within 48 hours. Treasurer Webster also agreed to provide members information regarding the history and flow of individual fund transfers.

Elmer Midgett requested that the RIC name tags be changed from pin-on to clip-on tags. Ellen Newbold also requested that tent cards be used at RIC meetings for members to pick up and place in front of them when seated. Kim Sawyer agreed to follow up on the requested changes.

Upon request by Perry White, Sterling Webster agreed for staff to provide RIC members with plastic name tags similar to state employee IDs that include names and *Roanoke Island Commissioner*.

Acting RIC Chair Angel Khoury transferred the chairmanship back to RIC Chairman Sterling Webster. Chairman Webster requested a report from RIC Historian John Wilson, who had no further report.

#### Ethics Liaison

Ellen Newbold provided the Ethics Liaison Report, noting the following:

- One appointed RIC member (absent) has not completed the Statement of Economic Interest (SEI).
- Six other new members (present) have completed the SEI.
- Reminder for new members and reappointed members to complete ethics training within six months.
- Compliance report has not been received to date; will be circulated to the RIC when received.

#### Old Business

No *Old Business* was reported.

#### New Business Nomination of Officers (Vice-Chair)

Chairman Webster reported on the need to elect a RIC Vice-Chair, Treasurer, and Secretary. Earl Willis nominated Perry White for Vice-Chair. With no additional nominations from the floor, Malcolm Fearing made a motion to close the nominations. Angel Khoury questioned whether Fountain Odom had indicated any desire to continue to serve, with Chairman Webster responding that he had not heard from Mr. Odom. John Robbins seconded the motion. Members voted unanimously in favor of closing the nominations. Perry White was elected RIC Vice-Chair by unanimous vote.

#### (Treasurer)

Chairman Webster asked for nominations for RIC Treasurer. Robert Long nominated Ellen Newbold for Treasurer. With no additional nominations from the floor, Joanne Williams made a motion to close the nominations. Bob Quinn seconded the motion. Members voted unanimously in favor of closing the nominations. Ellen Newbold was elected RIC Treasurer by unanimous vote.

#### (Secretary)

Betsy Brown nominated Angel Khoury to continue as RIC Secretary. With no additional nominations from the floor, Ellen Newbold made a motion to close nominations. Dale Petty seconded the motion. Members voted unanimously in favor of closing the nominations. Angel Khoury was elected RIC Secretary by unanimous vote.

#### 2012 Meeting Dates

#### Motion Vote

Chairman Webster reported that the 2012 proposed RIC meeting dates were previously distributed (filed as an attachment in the official Report Book). Chairman Webster noted that dates were reviewed with DCR Secretary Carlisle to avoid any conflict with her attending Tryon Palace Commission meetings. Ellen Newbold made a motion that the Commission approves the proposed 2012 meeting dates. Perry White seconded the motion. With no further discussion, the motion carried by unanimous vote.

#### Notices and Announcements

The following notices and announcements were made:

- Oath taken conforms to the existing statute, available for review; absent members can take the oath individually (Holloway).
- Members were encouraged to assist with Town of Manteo Cleanup Day November 19, 2011 at 9 AM (White).
- Members were encouraged to fully enjoy and embody RIFP and its events, not just attend meetings; best ideas are needed on how to bring in more people and income (Long).
- Joe Bryan has offered to host the April 2012 reception (Sawyer).

The next meeting of the Roanoke Island Commission will be Friday, April 27, 2012.

#### Adjournment

With no further business, the meeting was adjourned on motion by Earl Willis and second by Jerry Jennings at 12:37 PM.

Minutes submitted by: Andrea Hanganu, Administrative Assistant

Upon a vote by the Roanoke Island Commission, approved by: \_\_\_\_\_  
Angel Khoury, Secretary, Roanoke Island Commission